

J.1**PERFORMANCE REQUIREMENTS SUMMARY (PRS)**

1. PERFORMANCE REQUIREMENTS SUMMARY (PRS). The purpose of this Technical Exhibit is to define performance evaluation and payment formula based on actual levels of performance. The PRS Chart, provided as J.1-1, contains seven (7) categories of information as defined below.

Column A - Section. Refers to the section in the Performance Work Statement (PWS), which the required service is described.

Column B - Required Service. Contains the 11 required services from the Performance Work Statement that the Government will monitor. The absence of any contract requirement from the PRS shall not detract from its enforceability nor limit the rights or remedies of the Government under any other provision of the contract, including the clauses titled "Inspection of Services" and "Defaults."

Column C - Performance Standard. Defines the standard of performance for each listed service.

Column D - Acceptable Quality Level (AQL). Sets forth the maximum allowable deviation from standard performance for that service PR (column d), that may occur before the government will invoke the payment computation formula, resulting in a deduction from a contract payment. It represents the minimal acceptable performance goal for each required service. The total number of defectives found, not just those in excess of the reject level, are used to determine the percentage of the sample found unacceptable. The percentage of the sample found unacceptable subtracted from 100 percent of the sample, determines the percentage of the lot found acceptable.

Column E – Primary Surveillance Method. The method that will be used to determine the level of actual performance and the lot size of the sample. The lots are the number of active accounts, and the number of accounts to be created during a calendar month.

Column F - Frequency. The regularity for which the required service will be monitored. The contracting officer may increase or decrease the frequency which a required service is monitored based upon the contractor meeting the performance goals set forth.

Column G - Deductions. Represents the critical items for which a deduction would apply.

2. GOVERNMENT QUALITY ASSURANCE. Contractor performance will be compared to the contract standards and performance requirements (PRs). The government may use a variety of surveillance methods to evaluate the contractor's performance to determine if it meets the contract standards. Only one method will be used at a time to evaluate a listed service during an inspection period for payment computation purposes. The methods of surveillance that may be used are:

2.1. Random sampling of recurring service outputs using statistically acceptable sampling plans..

2.2. One hundred percent surveillance of the output items.

2.3. Periodic surveillance of processes and output items (daily, weekly, monthly, quarterly, semiannually, or annually) as determined necessary to assure a sufficient evaluation of contractor performance.

2.4. Customer complaints, which relies on the user of the service and/or product to identify deficiencies. The complaints are then investigated and validated by the contracting officer. This is highly applicable to

services provided in quantity and where quality is highly subjective. It is assumed that the user complaints will generate many of the unscheduled periodic inspections.

2.5 Direct Observation of services and/or products is used to survey the requirements. Observations can be performed periodically or through 100% surveillance.

3. PERFORMANCE EVALUATION. Performance of a service will be evaluated to determine whether or not it meets the PRs of the contract. When the permissible deviation from a PR is exceeded, the Contracting Officer (CO) will issue a Contractor Deficiency Report (CDR) to the contractor. Upon evaluation of the contractor's response to a CDR for tasks surveyed by random sampling or 100 percent inspection, the contractor's payment for non time-and-materials line items the month in which the performance in question occurred will be calculated as stated in paragraph 4. The contractor shall respond to the CDR form and return it to the CO within 15 calendar days of receipt. In the case of CDRs issued as the result of other methods of surveillance, the CO shall take appropriate measures according to the clause entitled "Inspection of Services."

4. CONTRACTOR PAYMENT:

4.1. If performance of a critical service exceeds the permissible deviation from the PR for services inspected by random sampling or 100 percent inspection, the government will calculate an amount to be deducted from future payment(s) to the contractor as follows:

4.1.1. Permissible deviation exceeded for a single critical PR. The fixed-price contract payment for the month during which the contractor exceeded the permissible deviation is multiplied by the percentage set forth in column G of the PRS for the applicable critical PR. The resulting product will be deducted from future payment(s) to the contractor.

4.1.2. Permissible deviation exceeded for more than one critical PR. The percentages set forth in column G of the PRS for the each applicable critical PR (contractor exceeded the permissible deviation) will be added together. The resulting sum will be the percentage that will be multiplied by the fixed-price contract payment for the month during which the contractor exceeded the permissible deviations. The resulting product will be deducted from future payment(s) to the contractor.

TABLE J.1. PERFORMANCE REQUIREMENTS SUMMARY (PRS)

(A) SECTION	(B) REQUIRED SERVICE	(C) PERFORMANCE STANDARD	(D) ACCEPTABLE QUALITY LEVEL AQL	(E) PRIMARY SURVEILLANC E METHOD	(F) FREQUENCY	(G) DEDUC- TION Critical PRs only
3.0	Pay retirees and annuitants in a timely manner.	Retiree and Annuitant pay (EFT and checks) released no later than two (2) days before payday.	FY'01 99.6% FY'02 99.7% FY'03 99.7% FY'04 99.8% FY'05 99.9% FY '06 - '10 99.9%	Random Sampling Lot Size is total number of pay accounts	Monthly	____%
3.0	Provide accurate pay and entitlement information to retirees and annuitants.	Calculate and pay retirees and annuitants accurately.	FY'01 98.2% FY'02 98.2% FY'03 98.3% FY'04 98.4% FY'05 98.5% FY '06 - '10 98.6%	Random Sampling Lot size is total number of pay accounts	Monthly	____%
3.1	Establish New Accounts	Accounts established within one pay period of complete entitlement package	FY'01 98.2% FY'02 98.2% FY'03 98.3% FY'04 98.4% FY'05 98.5% FY '06 - '10 98.6%	Random Sampling Lot size is total number of new accounts establishments	Monthly	____%
3.1	Maintain Existing Accounts and Process Changes	Each pay account is managed and changes are processed within one pay-period after receiving notification of change.	FY '01 99.1% FY '02 99.2% FY '03 99.3% FY '04 99.4% FY '05 99.5% FY '06-'10 99.6%	Random Sampling of account records Lot size is total number of account updates	Monthly	____%
3.4	Process Notifications	Respond to correspondence either within 30 days or before the next payroll update	FY '01 99.1% FY '02 99.2% FY '03 99.3% FY '04 99.4% FY '05 99.5% FY '06-'10 99.6%	Random Sampling	Monthly	
3.1.3.	Manage and Process Debt Collection Activities	All debt collections identified and corresponding actions accomplished within 30 calendar days of receipt of initial action.	FY '01 96.0% FY '02 97.0% FY '03 98.0% FY '04 99.0% FY '05 99.5% FY '06-'10 99.6%	Random Sampling of debt collection accounts and post-pay audits.	Monthly	
3.3	Provide Customer Service	80% of customer calls responded to within 20 seconds.	100%	Random Sampling; customer complaints as detailed in customer service reports and other customer satisfaction input documents (i.e.	Monthly	

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				surveys).		
3.3	Provide Customer Service	Pay problems resolved within 30 calendar days of notification.	FY '01 96.0% FY '02 97.0% FY '03 98.0% FY '04 99.0% FY '05 99.5% FY '06-'10 99.6%	Random Sampling; customer complaints. Customer service reports and other customer satisfaction input documents (i.e. surveys).	Monthly	
3.5	Manage Pay Services Automated Information System (AIS)	Maintain operational connectivity with interfacing agency systems	FY '01 96.0% FY '02 97.0% FY '03 98.0% FY '04 99.0% FY '05 99.5% FY '06-'10 99.6%	100% Inspection	Daily	
4.0	Complete Government Directed AIS Maintenance Changes	90% within cost of release. 100% not exceeding 15% of cost 95% within schedule. 100% not exceeding 25% increase in schedule.	100%	Random Inspection	Daily	
5.0	Provide Information Technology Infrastructure Services	Access available within established schedules.	99%	Random Inspection of log book	Daily	
